

# JUDICIARY

## 0250 Judicial

The Judicial budget includes support for the California Supreme Court , the courts of appeal , and the Judicial Council of California. There are 105 appellate court justices and seven Supreme Court justices. The Judicial Council, including the Administrative Office of the Courts, is the administrative and policy-making body of the judiciary.

The budget proposes total expenditures of \$344.8 million for the Judicial branch. This amount is an decrease of \$483,000, or 0.1 percent, below the current year. General Fund support would increase by \$348,000, or 0.1 percent, for a total of \$289.4 million. Of the total proposed, \$38 million is for the Supreme Court, \$172 million is for the operation of the Courts of Appeal, \$142.2 million is for the Judicial Council, and \$10.4 million is for the California Habeas Corpus Resource Center. Total authorized positions for the four entities would increase by 2.

<b>Summary of Expenditures</b> (dollars in thousands)	2002-03	2003-04	\$ Change	% Change
General Fund	\$289,061	\$289,409	\$348	0.1
Motor Vehicle Account	137	135	-2	-1.5
Court Interpreters Account	84	84	0	0.0
Family Law Trust Fund	3,019	3,019	0	0.0
Federal Trust Fund	4,700	4,710	10	0.2
Judicial Branch Workers' Compensation Fund	0	3		
Reimbursements	48,327	47,485	-842	-1.7
<b>Total</b>	<b>\$345,328</b>	<b>\$344,845</b>	<b>-\$483</b>	<b>-0.1</b>

### ***Highlights***

#### **Current-Year Savings Assumed in the Budget**

- An unallocated General Fund reduction of \$8.5 million, or 2.9 percent of the total General Fund budget.

#### **Budget Year Reduction**

- A reduction of \$17.7 million, or 5.1 percent of total funding for the judiciary. During the budget process, the Judicial Council will provide a plan for allocating these reductions.

**Proposed Increase**

- \$635,000 within the AOC to implement the Trial Court Interpreter Employment and Labor Relations Act.

***Selected Issues***

**Appellate Filing Fee Increase.** The budget proposes legislation to increase the appellate filing fee from \$265 to \$630, effective July 1, 2003. This increase would result in \$2.1 million in revenues to the General Fund. The Legislature may wish to consider the impact of this increase, which would make California's appellate filing fee the highest in the country.

**Unallocated Reduction.** As noted above, the budget proposes a reduction of \$17.7 million for the budget year. For the current year, the AOC has indicated that it will achieve the necessary savings of \$8.5 million, through holding positions vacant, delaying employee promotions and reclassifications, restricting travel, reducing temporary help, deferring contracts, and reducing the number of Judicial Council and Advisory Committee meetings. During the budget process, the Judicial Council will be providing the Legislature with a plan for the allocation of the \$17.7 million in budget year reductions. The Legislature may wish to review the allocation of the reductions to help insure that the reductions are appropriate and limit adverse impacts on access to justice.

**0390 Contributions to Judges' Retirement System**

The Judges' Retirement System (JRS I) funds retirement benefits for justices and judges of the Supreme Court, the courts of appeal, and superior courts. Retirement benefits are based on age, years of service, compensation of active judges, and eligibility as determined by specific sections of the Judges' Retirement Law. The JRS I is funded by the Judges' Retirement Fund, which receives revenue from the General Fund and certain filing fees, as well as employee contributions equal to 8 percent of the judges' salaries.

Chapter 879, Statutes of 1994, established the Judges' Retirement System II (JRS II). Unlike its predecessor, JRS II is designed to be fully funded from employer and employee contributions on a prospective basis. The major differences for JRS II include an increased retirement age and a cap on COLAs for retirement benefits of 3 percent annually. All judges elevated to the bench on or after November 9, 1994 are required to participate in JRS II. There are currently 1,610 authorized judges and justices in the state of California. The majority of these judges participate in the JRS I plan.

The number of retired annuitants is projected to increase by 34 to a total of 1,553. The budget proposes expenditures of \$121.7 million.

**0450 State Trial Court Funding**

The Trial Court Funding item provides state funds for support of the state's local trial courts. Since the passage of Proposition 220 on the June 1998 ballot, which allowed for the unification of the superior and municipal courts in a county, the court systems in all 58 counties have unified.

The proposed total budget for the state's trial courts is \$2.2 billion. This amount is a decrease of \$5.2 million, or 0.2 percent, from the current year. The General Fund portion is proposed to decrease by \$301.3 million from \$1.1 billion to \$791 million. The major factor for the decrease is the proposed \$300 million realignment of court security.

<b>Summary of Expenditures</b> (dollars in thousands)	2001-02	2002-03	\$ Change	% Change
General Fund	\$1,092,413	\$791,146	-\$301,267	-27.6
Trial Court Improvement Fund	136,745	109,132	-27,613	-20.2
Other Sources	980,110	1,303,763	323,653	33.0
<b>Total</b>	<b>\$2,209,268</b>	<b>\$2,204,041</b>	<b>-\$5,227</b>	<b>-0.2</b>

### **Highlights**

#### **Current Year Savings Assumed in the Budget**

- An unallocated reduction of \$36 million.

#### **Budget Year Reduction**

- An unallocated reduction of \$116 million, or 5.3 percent of the total trial court funding budget. During the budget process, the Judicial Council will provide a plan for allocating this proposed reduction.

#### **Other Adjustments:**

- Savings of \$300 million General Fund by providing a dedicated revenue source for court security. Under this realignment proposal, a portion of the tax increases totaling \$300 million would be transferred to the Trial Court Trust Fund for court security purposes, resulting in a savings of \$300 million General Fund.
- A reduction of \$22 million by allowing courts to contract with various sworn law enforcement agencies to provide security in the courts.
- A reduction of \$31 million for implementing electronic recording of court proceedings and \$5.5 million in savings related to court ownership of transcripts.
- An increase of \$20 million to pay for increased court staff retirement costs.
- An increase of \$32.6 million for ongoing courthouse security costs related to increases in the contractual costs of negotiated salary increases and for increased benefits and retirement contributions.
- An increase of \$4.5 million for anticipated court interpreter workload growth.
- An increase of \$3.9 million to implement the Trial Court Interpreter Employment and Labor Relations Act. The Act requires the trial courts to employ spoken language interpreters as court employees rather than independent contractors on or after July 1, 2003.

#### **Revenue Adjustments:**

- **Various Fee Increases.** The budget assumes revenues of \$66.2 million from new and increased fees to offset General Fund support for the trial courts. The fees include a \$20 court security fee per court

filing (\$34 million), increasing the trial motion fee from \$23 to \$33 (\$1.2 million), and transferring various undesignated fees on court related activities from the counties to the courts (\$31 million).

### ***Selected Issues***

**Undesignated Fees.** The Lockyer-Isenberg Trial Funding Act of 1997 (Chapter 850, Statutes of 1997) and other recent trial court funding legislation made changes in the distribution and amount of court-related fees. An important part of the financing mechanism for the state's new fiscal responsibility for the trial courts was the requirement that local governments transfer a variety of court-related fees collected by trial courts and local governments to the state's trust fund. However, Chapter 850 did not designate which entity--the state or local governments--would retain a number of court-related fees. Some of the undesignated court fees include fees for postponement, change of venue, filing for Writ of Execution, and the civil assessment fee. The amount of each fee varies from \$1, to as much as \$1,000.

The budget proposes to transfer a portion of those undesignated fees from counties to courts. The Legislature may wish to review the proposal to ensure that the proposed fees are related to court-related activities and that the proposed transfer of fees makes sense from a policy perspective.

**Electronic Recording.** As noted above, the budget proposes savings of \$31 million for implementing electronic recording for certain court proceedings and \$5.5 million in savings related to court ownership of transcripts. The Legislature may wish to review the estimates for savings and consider the policy implications of implementing electronic recording.

**Court Security.** Court security costs for the trial courts have increased in the last several years. The proposed budget includes several measures intended to provide additional revenues and flexibility for security services. Specifically, the budget proposes a General Fund reduction of \$34 million, and a projected increase of \$34 million in revenues generated by collecting a security surcharge fee in all civil cases, and in all criminal cases that result in a conviction. The budget also assumes savings related to a change in law that would allow local courts to contract with law enforcement agencies, other than the county sheriff, for court security. Finally, the budget proposes that \$300 million from new taxes offset General Fund expenditures for court security.

